



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 2, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 6016

Noal Hansen
Bruce H. Hansen Stone Quarries
P.O. Box 341
Kanab, Utah 84741-0341

Subject: Review of Reclamation Surety, Bruce H. Hansen Stone Quarries, Moenkopi Moca Mine, S/025/0021, Kane County, Utah

Dear Mr. Hansen:

The last reclamation cost estimate for the Moenkopi Moca mine was done in 2010 and escalated to 2015 dollars, with a bond renewal date of March 30, 2015. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$12,000 to \$13,000 for a 3-year escalation and \$13,300 for a 5-year escalation. The average reclamation costs are outlined below:

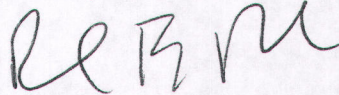
<i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i>			
<i>Moenkopi Moca Mine S/025/0021</i>			
<i>3-year escalation (2018)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	1	\$5,000.00	\$5,000.00
TOTAL	2 Ac		\$13,000.00
<i>5-year escalation (2020)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	1	\$5,100.00	\$5,100.00
TOTAL	2 Ac		\$13,300.00

Noal Hansen
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Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of cash. Please increase the cash deposit. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>. Please provide the additional surety no later than November 2, 2015.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Lynn Kunzler, at 801-538-5310 if you have questions concerning this requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Mining Program Manager

PBB:mbt:pb
cc: John Black, SITLA (jblake@utah.gov)
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